

# FY 2014 Fiscal Forecast School Operating Fund



**BOARD OF SUPERVISORS WORK SESSION:  
NOVEMBER 27, 2012**

*Preliminary Information for Planning Purposes Only - No School Board Action Has Been Taken*

# Student Achievement

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## **AP Results**

- 33,983 AP exams taken
- 69% of AP tests earned a score of 3 or better

## **IB Results**

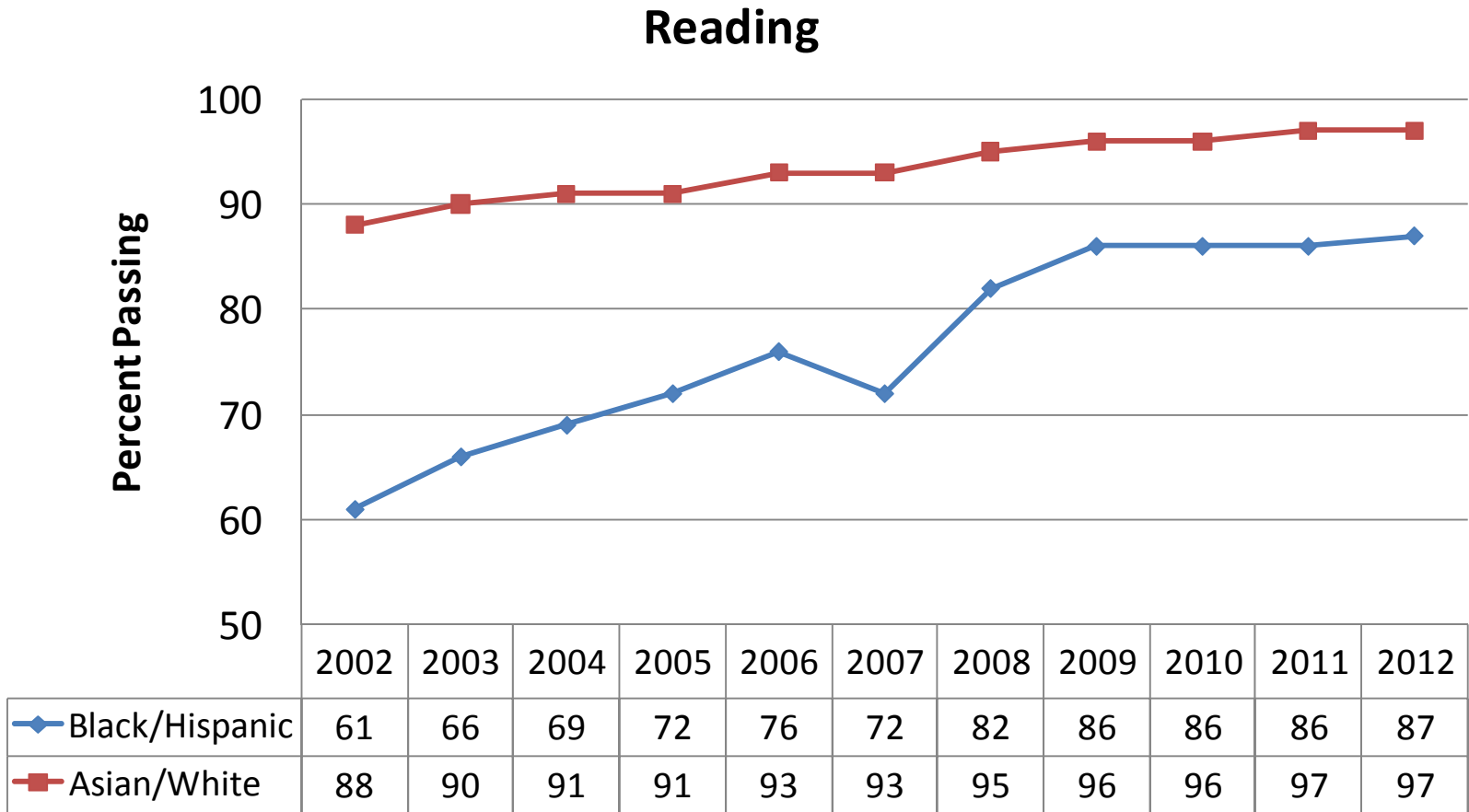
- 6,609 IB exams taken
- 74% earned a score of 4 or better

## **SOL Results**

- SOL pass rates are 94% in English, 78% in Mathematics
- Approximately 32% of all English and Mathematics SOL tests received a score of Pass Advanced

# Closing the Gap - Reading

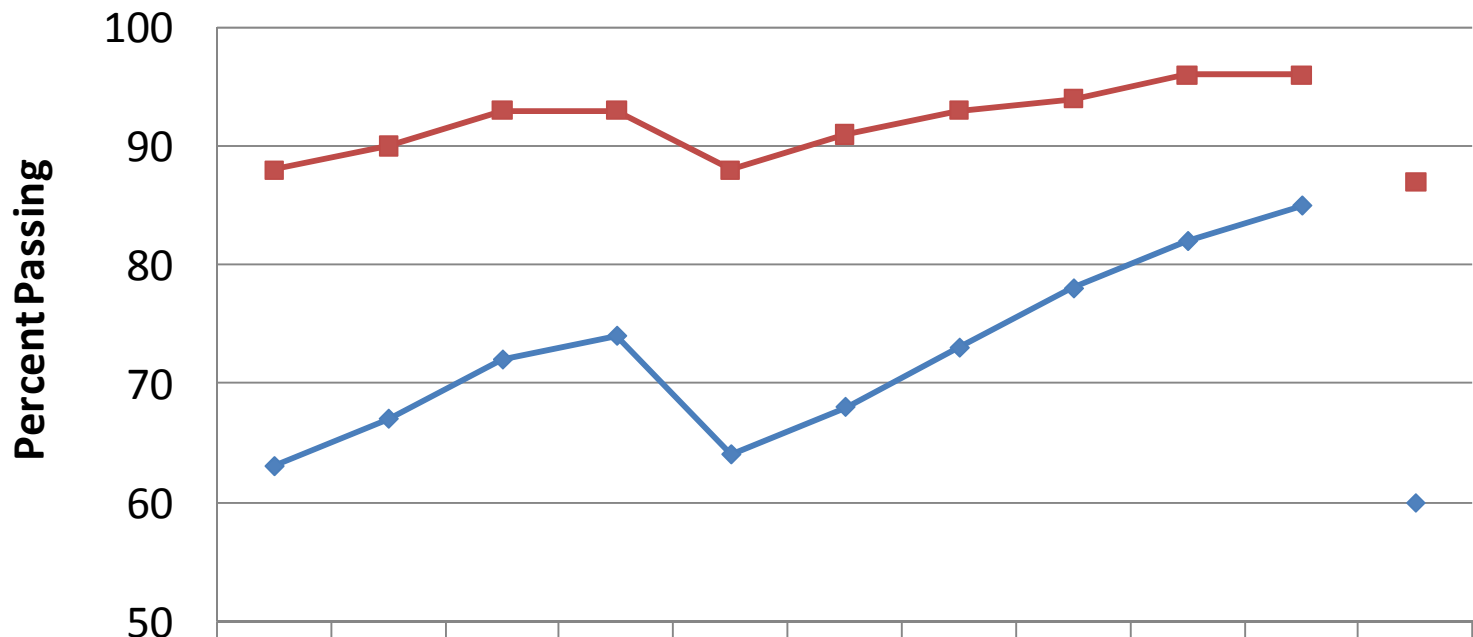
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# Closing the Gap - Math

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## Mathematics



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
◆ Black/Hispanic	63	67	72	74	64	68	73	78	82	85	60
■ Asian/White	88	90	93	93	88	91	93	94	96	96	87

# Graduation Rates

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- **91.3 percent of Fairfax County Public Schools (FCPS) students from the class of 2012 graduated on time**
  - Exceeds the state average of 88 percent.
- **8,375 FCPS students, or 61.4 percent, obtained an advanced studies diploma in 2012**
  - Compared to the state average of 48.8 percent.
- **An on-time graduate for 2012 is a student who entered ninth grade for the first time during the 2008-09 school year and, in four years or less, earned one of the diplomas recognized by the Virginia Board of Education**

# FCPS: Looking Forward

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- **FCPS will face considerable future-year challenges:**
  - Student enrollment continues to increase and student demographics continue to shift, reflecting increased needs
  - Employee compensation is a divisionwide priority
    - ✦ Step increase needed to address beginning teacher salaries
    - ✦ Retirement and health insurance rates continue to increase
  - Revenue
    - ✦ The use of one-time money to meet ongoing needs has resulted in structural deficit
    - ✦ The state Local Composite Index (LCI) will adjust for FY 2015
    - ✦ State per-pupil funding for K-12 remains below pre-recession levels
    - ✦ Impact of federal sequestration is unknown

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# FY 2014 Revenue Assumptions

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(\$ change in millions)

- **County Transfer** **\$0.0**
  - \$1,683.3 million—no change from FY 2013
  - Transfer flat to show deficit prior to any requested increase in county funding
- **Sales Tax** **\$3.2**
  - 2.0% projected increase from FY 2013 approved
- **State Aid** **\$0.0**
  - Impact of state budget not yet known

# FY 2014 Revenue Assumptions (cont.)

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(\$ change in millions)

- **Federal Aid** **\$0.0**
  - Impact of sequestration unknown
- **Other Revenue** **\$0.9**
  - Includes fees, out-of-county tuition, Fairfax City, and community use fees
- **Beginning Balance** **(\$15.9)**
  - \$41.6 million from FY 2012 Final Budget Review
  - FY 2013 beginning balance was \$57.5
- **VRS Reserve** **(\$26.8)**
  - Used \$43.7 million in onetime funding in FY 2013 and only have \$16.9 million available

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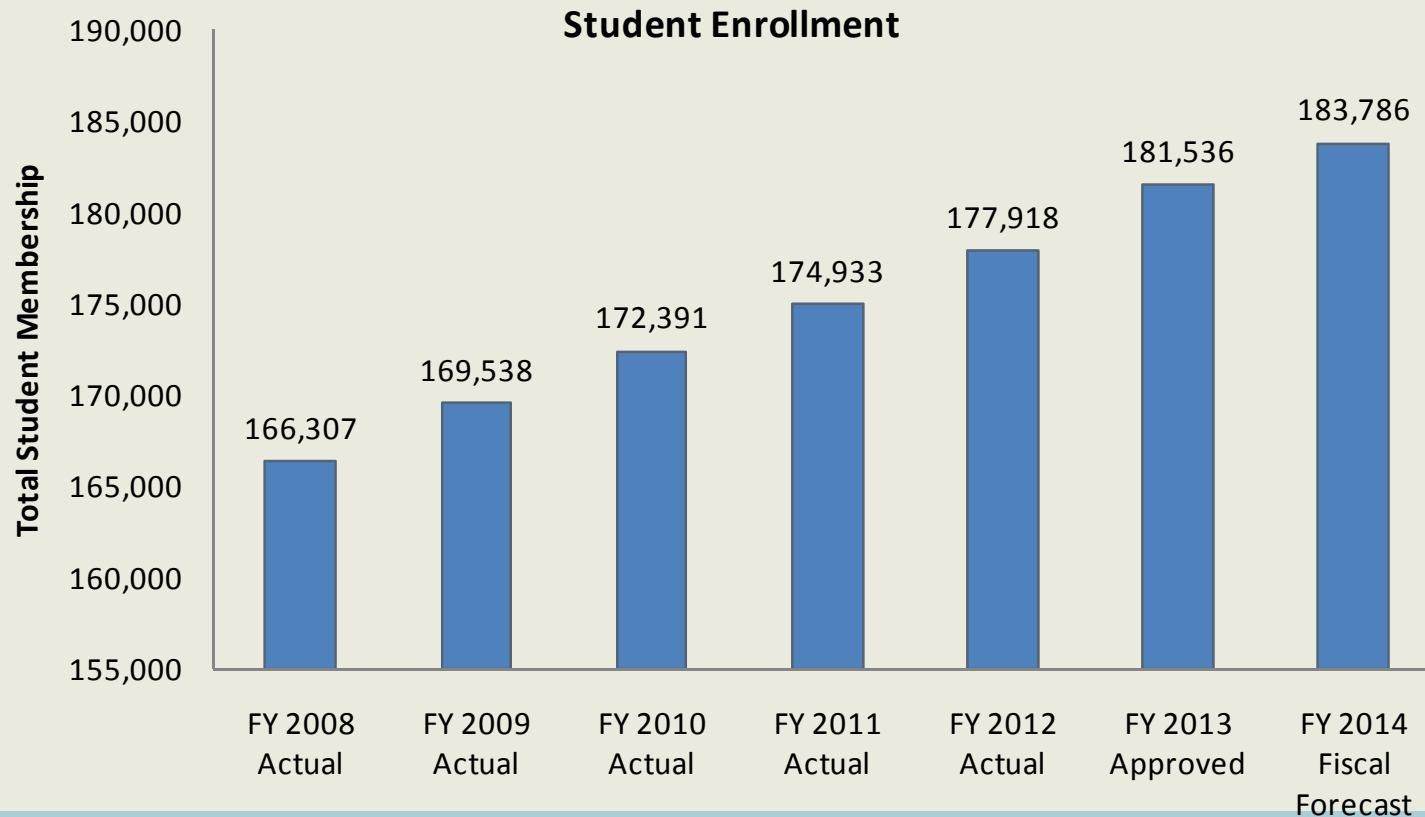
# FY 2014 Expenditure Assumptions

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(\$ change in millions)

- **Membership Adjustments**

**\$28.5**



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# Current Year Membership

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FY 2013	Approved Projection	Official Membership	Variance
Kindergarten	13,198	13,339	141
Elementary (1 – 6)	75,800	75,853	53
Middle (6 – 8)	24,745	24,490	-255
High (9 – 12)	49,485	49,338	-147
<b>Subtotal General Education</b>	<b>163,228</b>	<b>163,020</b>	<b>-208</b>
Special Education Level 2	15,208	December	
Nontraditional Programs	1,792	January	
FECEP	1,308	March	
<b>Total</b>	<b>181,536</b>		

# FY 2014 Expenditure Assumptions

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(\$ change in millions)

- **Contractual Increases**
  - Maintenance Service Contracts \$0.5
  - Building Leases \$0.3
  - Clinical Support for Students \$0.4
  - AP/IB Test Fees \$0.9
  - Copier Leases \$0.4
  - Technology Contracts \$0.6
  - Construction Fund Transfer \$1.4

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# FY 2014 Identified Compensation Needs

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(\$ change in millions)

- **VRS Shift Completion** **\$16.6**
- **Market Scale Adjustment** **\$18.9**
  - 1% for all employees
- **ERFC Shift of 1%** **\$13.5**
  - Less expensive option for pay increase
  - Improves rate equity between plans
- **ERFC/FCERS Rate Increases** **\$6.1**
- **Health Insurance Rate Increases** **\$13.3**

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# FY 2014 Budget Reductions

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(\$ change in millions)

- **Base Savings** (\$32.5)
- **Reduction Placeholder** (\$10.0)
  - Additional reductions will be identified and included in the FY 2014 Proposed Budget
- **Utilities** (\$1.9)
- **Student Information System** (\$1.8)

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# FY 2014 Summary

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(\$ change in millions)

● <b>Revenue Assumptions</b>	<b>(\$38.6)</b>
○ VRS Reserve fully expended	
● <b>Membership Adjustments</b>	<b>\$28.5</b>
● <b>Contractual Increases</b>	<b>\$4.4</b>
● <b>Identified Compensation Needs</b>	<b>\$68.4</b>
● <b>Reductions</b>	<b><u>(\$46.2)</u></b>
● <b>Projected Deficit</b>	<b>(\$93.7)</b>

\*Totals do not add due to rounding.

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# Significant Program Needs

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(\$ change in millions)

- **Restore Class Size Reduction** **\$25.0**
  - Estimate for a decrease of 1 student per teacher
- **Extended Teacher Contracts** **\$16.4**
  - 5 additional days for ~7,400 teachers
- **Textbooks – Online/Print\*** **\$11.7**
  - Science – FY 2014
  - Language Arts – FY 2015
  - World Languages – FY 2016
- **Restore Clinical Staffing** **\$1.9**

\* Reflects the first year cost of a phased implementation

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# Significant Program Needs

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(\$ change in millions)

- **World Languages\*** **\$1.0**
- **Instructional Coaches\*** **\$0.9**
- **Technology4All\*** **\$0.8**
- **Homebound Instruction** **\$0.5**

\* Reflects the first year cost of a phased implementation

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# Significant Program Needs

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(\$ change in millions)

• Major Maintenance	\$3.6
• Preventive Maintenance*	\$2.8
• Bus Replacement*	\$2.1
• Electrical Hazard Prevention	\$1.3
• Storm Water Mandate	<u>\$0.4</u>
• <b>Significant Program Needs</b>	<b>\$68.4</b>

\* Reflects the first year cost of a phased implementation

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